

***Superseded 5/10/2016***

**32B-6-404 Types of club license.**

- (1) To obtain an equity club license, in addition to meeting the other requirements of this part, a person shall:
  - (a) whether incorporated or unincorporated:
    - (i) be organized and operated solely for a social, recreational, patriotic, or fraternal purpose;
    - (ii) have members;
    - (iii) limit access to its licensed premises to a member or a guest of the member; and
    - (iv) desire to maintain premises upon which an alcoholic product may be stored, sold to, offered for sale to, furnished to, and consumed by a member or a guest of a member;
  - (b) own, maintain, or operate a substantial recreational facility in conjunction with a club house such as:
    - (i) a golf course; or
    - (ii) a tennis facility;
  - (c) have at least 50% of the total membership having:
    - (i) full voting rights; and
    - (ii) an equal share of the equity of the club; and
  - (d) if there is more than one class of membership, have at least one class of membership that entitles each member in that class to:
    - (i) full voting rights; and
    - (ii) an equal share of the equity of the club.
- (2) To obtain a fraternal club license, in addition to meeting the other requirements of this part, a person shall:
  - (a) whether incorporated or unincorporated:
    - (i) be organized and operated solely for a social, recreational, patriotic, or fraternal purpose;
    - (ii) have members;
    - (iii) limit access to its licensed premises to a member or a guest of the member; and
    - (iv) desire to maintain premises upon which an alcoholic product may be stored, sold to, offered for sale to, furnished to, and consumed by a member or a guest of a member;
  - (b) have no capital stock;
  - (c) exist solely for:
    - (i) the benefit of its members and their beneficiaries; and
    - (ii) a lawful social, intellectual, educational, charitable, benevolent, moral, fraternal, patriotic, or religious purpose for the benefit of its members or the public, carried on through voluntary activity of its members in their local lodges;
  - (d) have a representative form of government;
  - (e) have a lodge system in which:
    - (i) there is a supreme governing body;
    - (ii) subordinate to the supreme governing body are local lodges, however designated, into which individuals are admitted as members in accordance with the laws of the fraternal;
    - (iii) the local lodges are required by the laws of the fraternal to hold regular meetings at least monthly; and
    - (iv) the local lodges regularly engage in one or more programs involving member participation to implement the purposes of Subsection (2)(c); and
  - (f) own or lease a building or space in a building used for lodge activities.
- (3) To obtain a dining club license, in addition to meeting the other requirements of this part, a person shall:

- (a) maintain at least the following percentages of its total club business from the sale of food, not including mix for alcoholic products, or service charges:
  - (i) for a dining club license that is issued an original license on or after July 1, 2011, 60%; and
  - (ii) for a dining club license that is issued on or before June 30, 2011:
    - (A) 50% on or before June 30, 2012; and
    - (B) 60% on and after July 1, 2012; and
- (b) obtain a determination by the commission that the person will operate as a dining club licensee, as part of which the commission may consider:
  - (i) the square footage and seating capacity of the premises;
  - (ii) what portion of the square footage and seating capacity will be used for a dining area in comparison to the portion that will be used as a lounge or bar area;
  - (iii) whether full meals including appetizers, main courses, and desserts are served;
  - (iv) whether the person will maintain adequate on-premise culinary facilities to prepare full meals, except a person who is located on the premise of a hotel or resort facility may use the culinary facilities of the hotel or resort facility;
  - (v) whether the entertainment provided at the club is suitable for minors; and
  - (vi) the club management's ability to manage and operate a dining club license including:
    - (A) management experience;
    - (B) past dining club licensee or restaurant management experience; and
    - (C) the type of management scheme used by the dining club license.
- (4) To obtain a social club license, a person is required to meet the requirements of this part except those listed in Subsection (1), (2), or (3).
- (5)
  - (a) At the time that the commission issues a club license, the commission shall designate the type of club license for which the person qualifies.
  - (b) If requested by a club licensee, the commission may approve a change in the type of club license in accordance with rules made by the commission.
- (6) To the extent not prohibited by law, this part does not prevent a dining club licensee or social club licensee from restricting access to the club's licensed premises on the basis of an individual:
  - (a) paying a fee; or
  - (b) agreeing to being on a list of individuals who have access to the club's licensed premises.